

First in a Series

Government Spent Over \$300,000 To Break Up Electrical Conspiracy

Editor's note: United Press International reporters, headed by Jack V. Fox, have checked into the background, in various cities, of the recent electrical industry anti-trust case. Following is the first of three dispatches reporting on how the government broke the case and obtained convictions at Philadelphia Feb. 8, and describing the "organization" men involved.

By JACK V. FOX
UPI Correspondent

It took the United States government four years, cost more than \$300,000 and involved a good part of the FBI to crack the anti-trust conspiracy in the heavy electrical industry.

Investigators were up against executives who used codes, destroyed communications and met in expensive hotels in dozens of different cities.

One group met 26 times in 10 months to set prices, rig bids and divide up sales in the power switchgear equipment field.

They used an elaborate formula known as "phase of the moon" to indicate whose turn it was to submit a low bid and at what price in the \$2 billion yearly heavy electrical field. Each company had its copy of the "moon sheets."

Yet so complete was the Justice Department investigation that not a single one of the 45 men and 29 corporations doing 95 per cent of the nation's heavy electrical business entered a not guilty plea.

Prison for Seven
Federal Judge James Cullen General of Philadelphia sentenced seven men to a month in prison, suspended prison sentences for 23 and levied fines totaling \$1,924,000.

None of the top management of General Electric, Westinghouse or the other huge corporations was indicted.

The government had these weapons in its inquiry:

Expense Accounts. They showed the same executives present time and again in the same hotels with their companions.

The Tennessee Valley Authority. The huge federal power project furnished a mass of information on its own purchases which showed beyond a doubt there was a price-rigging plot.

Informers. As the case developed, minor figures involved told on their superiors. The government, playing for keeps, granted them immunity from prosecution for doing so.

Subpoenas. The simple power of subpoena drew in corporation accounts and forced executives to testify before grand juries. They could not claim the Fifth Amendment clause against self-incrimination. The Sherman Anti-Trust Act excludes that.

Begins Under Rogers
The prosecution began under Atty. Gen. William Rogers in the Eisenhower administration, and new Atty. Gen. Robert Kennedy got in only on the tail of the case but long enough to endorse the severe penalties the government was asking.

The man closest to the case was William L. Maher, chief of the Anti-Trust Division in Philadelphia. Maher at one time had 20 Justice Department lawyers working under his supervision. In his office this week, Maher described how the case developed.

For years there had been complaints about near identical bidding on equipment for public agencies. In late 1957,

the FBI started an investigation of certain products.

Then in May, 1959, the TVA furnished substantial information on its experiences with the big electrical companies. It was enough to call a grand jury, the first of four in the case. In all 75 witnesses were summoned.

Maher said there was no wire tapping or "bugging" of hotel rooms. Testimony of those involved exposed the whole conspiracy.

Members were known to each other by numbers. They wrote on plain stationery to each other's homes and destroyed letters afterwards.

One group involved General Electric, Westinghouse, Allis-Chalmers, I-T-E Circuit Breaker Co., of Philadelphia, and Federal Pacific Electric Co. of Newark, N.J.

Meet in Hotels

During 1958 and part of 1959, executives of those companies met in hotels in Philadelphia, Pittsburgh, Newark and Haddonfield, N.J., Cleveland, Milwaukee, Detroit, Scranton and Hershey, Pa., Louisville, New York and Chicago.

They divided up the switchgear business:

Company	Percentage
General Electric	35
Westinghouse	39
I-T-E Circuit Breaker	11
Allis-Chalmers	8
Federal Pacific	7

When it was completed, it was the biggest anti-trust case in the 71-year history of the Sherman Act. There had been larger suits involving one or two companies, but none of this magnitude affecting an entire industry.

The case involved only equipment used in the generation, transmission and distribution of electricity. It had nothing to do with consumer sales of radios, TV sets, toasters or refrigerators.

The men convicted were among the most respected citizens of their communities with outstanding records of civic service. Defense lawyers pointed to those circumstances in asking for leniency.

Medford Charter Being Revised; May Be Finished by Fall

City Attorney Joel Reeder, working with representatives of the bureau of municipal research, is in the process of revising the Medford city charter—the first time it will have been revised since 1905. Reeder said he hopes to have the revised charter ready to be submitted to a vote of the people by fall. The city council can either call for a special election, he said, or wait and submit the charter to a vote in the 1962 primary election.

The main reason for wanting the charter revised, Reeder said, is that much of it is now outdated. For example, there is one section in the charter which requires that the chief of police be elected by the city council. However, a subsequent chapter, added to the charter in 1956, specifies that the police chief shall be appointed by the city manager.

The charter now in use is

The highest-paid executive was William S. Ginn of General Electric.

He was boss of 17,000 men at the turbine division in Schenectady, N.Y., and made \$130,000 a year.

He was—and is—held in highest regard. An officer of the International Electrical Workers Union, which was involved in a bitter, three-week strike against GE last year, said:

"Locally we found him a fellow you could deal with

fairly. He's a very much respected man."

Gov. Nelson Rockefeller recently appointed Ginn a member of the New York Commission on Economic Expansion.

But General Electric has been the severest of all on the anti-trust conspiracy was in outright violation of company orders and has cut salaries, demoted and transferred men involved.

Sanitary Sewer in West Medford Gets Approval by Council

The Medford city council last night approved the installation of a sanitary sewer in the west Medford area, and voted to give additional study to a proposed annexation to the city.

They were but two of a long list of items to receive council consideration.

The sanitary sewer will be located between Park Place No. 5 and Alberts st., from Prune to Dakota sts.

It was decided to give additional study to a request to annex to the city an area east of Chestnut st., and north of Stewart ave. This area is part of a larger area that had been proposed for annexation, but was withdrawn after several property owners declined to go along with a number of conditions that the city tacked onto the proposal.

Several councilmen said last night they would like to find out if it would be possible to annex the larger area, before they would approve the smaller area. The matter was postponed until the next meeting.

The council gave its approval last night to six assessment ordinances. They are:

—A \$12.20 per front foot assessment for paving Black Oak dr. from Barnett rd. to

the intersection of Black Oak dr. and Juanipero Way. The city's estimate on this project was \$12.75 per front foot.

—A \$7.48 per front foot assessment for paving Juanipero Way from Black Oak dr. to Mira Mar ave. The city's estimate was \$6.20 per front foot.

—A \$2.84 per front foot assessment for a water main on Beatty st. from McAndrews rd. to Manzanita st., and on Manzanita st. from Beatty st. north to Beatty st. south. The city's estimate was \$2.64.

—A \$3.01 per front foot assessment for a water main on Prune st. from Benson st. to Chestnut st., and on Park Place No. 5 from Prune st. to Dakota ave., and on Dakota ave., from Park Place No. 5 to Chestnut st., and a 4-inch water main on Alberts st. from Prune st. to Dakota ave. The city's estimate was \$2.88.

—A \$3.03 per front foot assessment for a water main on McAndrews rd. from Waverly ave. to Wabash ave., and on Wabash ave. from McAndrews rd. to Spring st., and on College Way and Hill st. from Wabash ave. to 320 feet east. The city's estimate was \$3.01.

—A \$4.64 per front foot assessment for a water main on Crestbrook rd. from Ellendale dr. to Greenwood st., and on Greenwood st. from Crestbrook rd. to Highland dr. The city's estimate was \$3.69.

The council called for a public hearing at its next meeting on a request to change the zone of approximately 11 acres located southwest of Stevens st. and Crater Lake ave. from single family to multiple family zone.

Approval was given to a request to vacate a portion of the northwest corner of the intersection of Suzanna st. and Obispo dr.

A low bid of \$15,970 was awarded to the Richfield Oil company to supply the city with gasoline, diesel oil and kerosene. A low bid of \$726 was awarded to the Union Oil company to supply the city with motor oil, chassis lubrication and gear lube.

As a rule, only the general grants of power will be included in the new charter. Such general grants include broad powers granted by the legislature and the state constitution, and those powers inherent in being a municipality, Reeder said.

However, those specific powers which are not covered by a general grant of power, such as the requirement that street paving requests be accompanied by a petition, will be retained in the revised charter, he said.

The charter is to the city as the constitution is to the state. Medford's first charter was approved by the state legislature in 1885. The charter was revised for the last time in 1905.

Additions Made
Since 1905, many additions have been made to the charter, a number of them repealing earlier charter provisions. These additions have been made both by the state legislature and by the electorate of the city.

Reeder said much of the work in rewriting the charter will be done by Orval Etter, a staff attorney for the bureau of municipal research. A model charter, prepared by Etter, is serving as a guide for the rewriting of the Medford charter, Reeder said.

In January of last year, the city adopted a revised city code. The new code took two years to complete, and was also done by the city's legal staff working in conjunction with the bureau.

IT'S ONLY FAIR
White Plains, N.Y.—UPI—The Westchester County Board of Supervisors urged Thursday that people be given the same rights as livestock. The board voted that a state law allowing owners of animals bitten by dogs to collect damages from dog license fees should be broadened so that human victims could collect damages.

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The classes are held Monday and Wednesday evenings and Saturday mornings and afternoons. They are arranged by age group. Additional information can be obtained by contacting the instructors or by contacting the recreation department in the Medford city hall.

Arts, Crafts Class Open for Enrolling

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AFL-CIO Attacks JFK's Minimum Wage Proposals

Washington—UPI—The AFL-CIO today attacked President Kennedy's proposal to raise the minimum wage law as "not good enough."

AFL-CIO secretary-treasurer William F. Schnitzler asked Congress to approve an immediate step-up in the federal floor under hour and expansion of coverage to six million additional workers.

Labor Secretary Arthur J. Goldberg, former AFL-CIO special counsel, was expected to defend the administration's proposal for a gradual increase to \$1.25 and extension of the law's protection to 4.3 million more persons.

Leadoff Witness
Goldberg was called as the leadoff witness at hearings before a House labor subcommittee on the wage-hour improvements endorsed by Kennedy as anti-recession tools.

Schnitzler, in testimony prepared for delivery to the subcommittee, said enactment of the AFL-CIO's proposal would put \$1.2 billion into the hands of consumers compared to \$600 million under the Kennedy program.

Other Congressional news: Farm Assistant House Democratic Leader Carl Albert (Okla.) and Rep. W. R. Ponce (D-Tex.), chairman of an agriculture subcommittee, pledged fast action on Kennedy's plan to bolster sagging income of feed grain producers. They forecast approval of the plan, but predicted a battle would delay passage until after spring planting time.

Defense: The House Science and Astronautics Committee heard Army officials in a review of the Defense Department's research and development program.

Dad's Day Slated At SOC Saturday
Ashland—Dad's Day, an annual event at Southern Oregon college will be held Saturday, Feb. 18, Dr. Loren E. Messenger, secretary of the SOC Dad's club, has announced.

Registration will begin at 1 p.m. in Britt Lounge. A Dad's club business meeting will be held and a tea for the mothers at Susanne Homes hall is scheduled. A talent show and a tour of the campus are also planned for Saturday afternoon. Dinner will be served in the Commons at 6 p.m.

Climaxing the day's activities will be a basketball game, the SOC Red Raiders versus Portland State college, in the gym at 8 p.m. An after game dance will be held in Britt ballroom sponsored by Alpha Phi Omega. Music will be provided by a 14-piece band.

Parents who will be at the college Sunday are invited to attend a harpsichord concert presented by Harold Chaney at 3 p.m. in Churchill auditorium.

DELAY GRANTED
San Francisco—UPI—Mrs. Katherine Clever, who pleaded guilty to a charge of failing to file a 1954 income tax return, has been granted a delay in sentencing until April 18. Her attorney explained Thursday that Mrs. Clever operated an accounting business and would be very busy through April 15 processing clients' income tax returns.

EX-COMMANDER DIES
Asbury Park, N.J.—UPI—Commissioner Edward Justus Parker, 91, former national commander of the Salvation Army, died Thursday.

DOGS ATTACK DEER
Leesburg, Va.—UPI—Dog warden Jack Hall reported Thursday he killed two hounds which attacked a herd of deer at the farm of a television personality Arthur Godfrey. Eleven deer were killed by the dogs.

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In the Day's News

By FRANK JENKINS

Farm note from Russia: Premier Khrushchev made a speech today to farm leaders at Tiflis, capital of the Soviet republic of Georgia. He is on a tour of the Soviet Union to SPUR FARM PRODUCTION.

He urged the Georgian farmers to PRODUCE MORE.

COMMUNIST China, as well as communist Russia, is having its food troubles. One gathering from the news that China's food shortages are approaching the point of famine. Widespread drought is offered as an official excuse, but one can't help suspecting that lack of enthusiasm for more production on the part of China's farmers had something to do with it.

They aren't allowed to keep what they raise—or to sell their surplus on the open market to the highest bidder. Instead, the state takes it ALL away from them and feeds them what it thinks they need.

NOTE to Mr. Kroosh and Old Mao:
Let your farmers BUY THEIR LAND and own it. Let them sell their crops to the highest bidder—either government or PRIVATE bidders—and KEEP THE MONEY.

If you'll do that, you'll have plenty of food. If you doubt it, come over and have a look at our storage warehouses, which are bulging.

NEW slant on juvenile delinquency:
About 483,000 juvenile delinquency cases, excluding traffic offenses, were handled by the juvenile courts in the U.S. during 1959. These involved about 417,000 children—which is to say, there were quite a few repeaters.

SOUNDS pretty bad?
Wait a minute. These children who got into the juvenile courts in 1959 (the latest year for which the figures are available) represented ONLY 1.7 PER CENT of the nation's child population.

Put that way, it doesn't sound so bad.

QUESTION:
Do we pay more attention to the bad news than to the good news?

Another question: If it is true that we pay more attention to the bad news than to the good news, does it lead us to the conclusion that the modern world is WORSE than it really is? One can't help wondering.

MORE along that line:
The latest figures indicate that in January of this year about 5.7 million persons were out of work in the United States. That sounds pretty bad.

But—Official figures reveal that in December 66 million people were WORKING. That is the largest number EVER AT WORK IN ANY DECEMBER IN OUR HISTORY.

Maybe we've been looking too much at the hole and too little at the doughnut.

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FIRST for SAVINGS!

NEW!
PREPARATION H
SHRINKS PILES WITHOUT SURGERY
Relieves pain! 98c Tube 69c
INCLUDES APPLICATOR

DRISTAN
Helps drain all "TIGHT" sinus cavities. Reg. 98c. 3-layer tablet. 24's... 66¢

86c
Reg. 1.23

BUFFERIN
twice as fast as aspirin doesn't upset your stomach

THOREXIN
The Guided Antitussive
1.25 size... 79c

ELECTRIC HEAT PAD
By NORTHERN ELECTRIC
Three Positive Heats

1 Year Guarantee \$2.79
3 Year Guarantee \$5.45
4 Year Guarantee \$6.45
100% Waterproof

PINAUD
Lilac Vegetal
AFTER SHAVE LOTION

New GIANT
12 oz. size, reg. \$1.75 at \$1.29 (limited time only)

WHISKER WILTER
69c tube... 39c

49c COURTLEY SHAVING CREAM
Brushless or Lather... 29c

UNIVERSAL JUMBO LUNCH KIT
With 1 1/2 Pint VACUUM BOTTLE
\$3.59

Add Federal Excise Tax on Taxable Merchandise

WESTERN THRIFT